

## EXECUTIVE SUMMARY

The County Executive Office (CEO) is the executive branch of Orange County government responsible for implementing policies established by the Board of Supervisors (Board). The CEO mission statement embodies this role of providing leadership to support and implement Board policy. The Board has made great strides toward improving County government, taking the necessary steps to position the organization to be a more efficient, accountable, and responsible government body.

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*The mission of the County Executive Office is to support and implement Board policy through corporate direction, communication and coordination of strategic and regional planning, and to ensure effective service delivery through efficient management of the County's workforce and resources.*

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The year 2000 was a year of transition and progress for the CEO. The Office experienced a number of transitional changes including the selection of a new County Executive Officer, the change in the reporting

relationship of the El Toro Master Program Development Office to the Board, and the establishment and staffing of the Children and Families First Commission.

At the same time, the Office made significant progress toward achieving its strategic goals. A brief status report outlining the more significant accomplishments of 2000 as well as service issues for 2001 is presented below. As clearly illustrated below, the CEO is and will continue to be involved in an increased magnitude of diverse and complex issues that impact the quality of life of Orange County residents and businesses.

*Goal 1: Support the Board of Supervisors in developing and implementing a long-term vision for the County of Orange*

During 2000, the CEO realized a number of accomplishments in this area. In December, the Board adopted the 2001 Strategic Financial Plan that outlines the Board's long-term vision for improved health care and services, expanded jail capacity, affordable housing, reduced County debt, clean watersheds and beaches, and several other significant projects. The plan commits over \$312 million to these items over the next five years. In addition, Wall Street again recognized the County's continuing fiscal efforts. Moody's upgraded our financial credit rating to "Aa3," a rating equal to pre-bankruptcy levels. The County also defeased all its outstanding Pension Obligation Bonds resulting in a \$30 million annual savings in principal and interest. The Office also developed the first Community Indicators Project that provided an assessment of the progress made by the County in major policy areas.

In 2001, the implementation of the strategic priorities listed in the Strategic Financial Plan will be at the forefront of county operations, guiding the County's fiscal and

operational decisions. One key element is the continuation of the early retirement of bankruptcy debt to free up financial resources to fund key strategic priorities.

*Goal 2: Continue to develop, implement, and communicate the components of the County's Corporate Management System, promoting the County as an accountable and efficient government organization, partner with the community, and desirable employer*

Considerable effort was spent this past year in refining and implementing the final components of the Corporate Management System. The Strategic Financial Plan and annual Business Plan components have now become an integral part of County efforts to identify both current and future priorities, as well as developing strategies for accomplishing those priorities. The Results Orientated Government or performance measurement component, although still requiring refinement, has begun to show substantial progress as exhibited in the 2001 department business plans. The first cycle of the newly designed Management Pay for Performance component was completed. Lastly, the Communications component was advanced by the development and implementation of a strategic plan for corporate communications.

The implementation of these components has resulted in a solid administrative infrastructure for the accomplishment of county goals and objectives. A brief listing of major accomplishments this past year include the redesign of the County Budget Book, the publication of the "Faces of the County" public awareness campaign, completion of Performance Incentive Program (PIP) training and successful performance goal setting for 16,000 employees, completion of the Americans with Disabilities Act (ADA) Transition Plan to provide access for the disabled community, and negotiating the Sheriff-Marshall merger which resulted in \$1.3 million savings to the county.

In 2001, the Office will be focused on:

- ☐ Further redesign of the County Budget Book
- ☐ Development and implementation of budgeting software upgrades
- ☐ Development of the County Annual Report and newsletter
- ☐ A new 2001 Discover public awareness campaign with emphasis on county teams and partnerships
- ☐ Improved coordination with the Orange County Retirement System on various retirement-related policy and financial issues
- ☐ Further refinement of the county business planning process, the development of performance measures, and pay for performance plans based on feedback received from departments

*Goal 3: Support the Board in implementation of the El Toro reuse planning process*

The Board of Supervisors approved an ordinance in June 2000 that established the Local Redevelopment Authority (LRA) as an entity reporting to the Board. The CEO, however, continues to play a critical support role to the LRA and assisted in the accomplishment of

several major objectives in 2000, including the successful establishment of the master lease for the use of the former Marine base. For 2001, the CEO will continue to provide key support in the areas of risk management, real estate, finance, and other services.

*Goal 4: Integrate and coordinate County regional planning efforts to ensure the delivery of quality services*

CEO staff provides for the coordination of a number of significant regional projects and services. These issues increase in number, diversity, and complexity with each passing year. During 2000, the CEO had considerable impact on a number of major issues, a small sampling of which includes:

- ❑ Establishment of Children and Families First Commission and the adoption of a County Strategic Plan that allowed the expenditure of over \$40 million of Proposition 10 revenues for services to Orange County children and their families
- ❑ Development of a Continuum of Care Plan for the homeless
- ❑ Creation of additional affordable housing units
- ❑ Annexation of Foothill Ranch and Portola Hills to the city of Lake Forest, and successful completion of negotiations with city hood proponents for the incorporation of Aliso Viejo
- ❑ Completion of Trial Court Space Study for construction of new South Justice Center
- ❑ Completion of Census 2000 outreach effort

Regional issues typically require a sustained effort over a number of years to be satisfactorily addressed. As such, 2001 will be a year in which a number of current issues will continue to be examined, collaboratives formed, and specific actions taken to mitigate and/or improve the current situation. In addition, each year adds new issues and challenges. For 2001, this means attention to the formidable issues of:

- ❑ Electrical energy availability and cost
- ❑ Redistricting political boundaries using the 2000 Census data
- ❑ Addressing the impacts of Proposition 36 (Substance Abuse & Crime Prevention Act) and providing for its successful implementation
- ❑ Assessment and coordination of changes to the county Registration and Elections system
- ❑ Coordination of, and support in implementing DA/Family Support transition to a separate department
- ❑ Development of strategic plan and coordination of the county's watershed and ocean monitoring programs
- ❑ Development of a strategic plan for unincorporated county Island Revitalization programs

*Goal 5: Provide leadership and service in the development of the County's human resources, technology, financial and administrative infrastructure*

The CEO continued to provide leadership and make progress toward the accomplishment of this goal in 2000. Examples include the establishment of Labor/Management

Committees to evaluate health plans; involvement in the organizational assessment and restructuring of the Community Services Agency, Office of the District Attorney, Health Care Agency, and Public Facilities & Resources Department; the establishment of a steering committee for the development of a corporate Information & Technology governance structure; successful rebid of a ten year contract for the provision of countywide information technology services; and implementation of strategies to address the projected financial revenue shortfall in FY 2005/06.

For 2001, there will also be no shortage of critical projects undertaken to improve county operations. Major issues/projects include:

- ❑ Completion and initial implementation of the Human Resources vision project to redefine the roles and responsibilities of the county human resource system
- ❑ Implementation of the countywide Information Technology System Study
- ❑ Implementation of Lockheed Martin Information Technology contract providing for data and telecommunications support
- ❑ Submission of a balanced county budget consistent with the 2001 Strategic Financial Plan
- ❑ Conduct countywide Office Services classification review
- ❑ Complete employee benefits redesign project
- ❑ Continue training and providing individual case support to departments regarding disability management and return to work efforts

*Goal 6: Support the Board in developing and actively pursuing the Orange County Legislative Platform*

The CEO developed and the Board approved the Orange County Legislative Platform for 2000. In addition, staff worked toward influencing legislation in a number of areas including securing additional funding for the Santa Ana River Project, road projects, and juvenile justice programs; capping the growth of county property tax diversion to the state; transferring trial court employees from the county to an independent personnel system; and use of the former El Toro Marine Base for affordable housing.

Legislative assistance in achieving County goals is always a necessity and 2001 will add additional advocacy areas. In early 2001, the Board approved the Orange County Legislative Platform for 2001 that includes on-going issues for virtually every County department as well as current items such as watershed and coastal resources, strengthened affording housing proposals, energy, issues concerning international trade, and election technology.

*Goal 7: Continue to integrate and strengthen management and internal support services within the County Executive Office*

A number of important interdisciplinary projects were staffed by various members of the Office to improve project output and provide opportunities for growth. Staff also attended a variety of internal and external training and development programs, and participated in the development of the 2000 Business Plan. These efforts will continue in

2001, with increased focus on being accountable and implementing strategies for the achievement of Board and CEO policy.

To successfully address the issues outlined above, the CEO must continue to promote an organizational culture that embraces progress, and cultivates individual opportunities for rethinking and redesigning plans based on past successes and failures and available new technologies.

## **CLIENTELE**

The CEO is responsible for supporting and implementing the policies of the Board of Supervisors. In fulfilling this role, the Office coordinates and oversees the efforts of County agencies/departments, provides an efficient structure in which to operate, and interacts with a variety of external partners to achieve common goals. As the executive unit of County government, the CEO has the responsibility to provide corporate support and policy direction in areas such as human resources, information technology, purchasing, real estate and public finance. The CEO also provides resources to the Board of Supervisors, agency/department heads, County employees and stakeholders including the public, media and other government and business entities.

### **Board of Supervisors**

The CEO supports the Board's decision-making authority by providing comprehensive, quality and timely research and analysis on issues. Once policy direction is established, the CEO is then responsible for executing this direction through County staff.

### **County Departments**

The CEO works with seven elected and fifteen appointed department heads to implement Board policy direction, ensure fiscal integrity, and coordinate the operations and services of the County. In order to accomplish this role, the CEO reviews and comments on Board agenda items, oversees countywide funds, coordinates the annual budget process, negotiates and implements employee terms and conditions of employment, and evaluates the performance of appointed department heads.

### **County Employees**

Employees are the County's greatest resource. The CEO has spent the past few years putting into place organizational structures and the components of the performance incentive program to provide an environment in which employees are encouraged to excel. The CEO will continue to be open to employee needs and respond appropriately. The CEO is committed to managing an efficient, effective and accountable workforce by creating a learning environment focusing on employee development activities designed to optimize productivity.

A continuing challenge for the county will be to balance the staffing needs of agencies/departments with available revenues, and to reprioritize activities and assign

employees to the most important programs/projects. In addition, given the limited number of human resources available, the CEO must provide leadership in developing methods to attract and retain a highly qualified workforce. For our potential employees, it is important that we inform them of the depth and magnitude of public services provided by their County, and present the County as an attractive place to work.

Providing appropriate training, involving employees in the strategic and annual planning forums, providing appropriate and innovative reward and recognition structures, and communicating important events and projects will also be critical to maintaining a motivated and productive workforce.

### **Public, Media and External Partners**

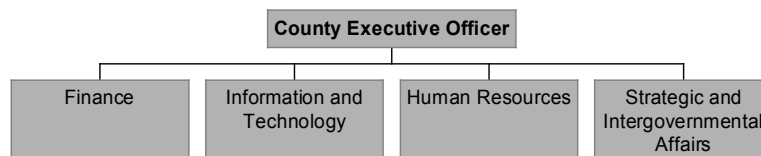
The CEO is also responsible for coordinating factual information, communications, and responses to inquiries from all Orange County stakeholders including the public, media, and other government and business entities. Effectively communicating key county messages with these clients is critical to the success of an efficient, effective, and accountable County government. As a governmental organization, there is a responsibility to be open and responsive to media and public inquiries about county programs, initiatives, and policies. When communicating with other governmental agencies and business entities, it is critical for the County to articulate successes and our desires to partner on mutually beneficial regional issues.

## **SERVICE ENVIRONMENT**

### **Overview**

The CEO is the executive arm of County government responsible for overseeing County operations to ensure fiscal integrity, policy coordination, and general management accountability. The CEO provides a corporate oversight role in key functional areas. While providing leadership in policy implementation, coordination and program oversight, the CEO has implemented a decentralized County organization where agency/departments are responsible for executing their respective programs. In addition, the CEO provides leadership in regional service delivery, addressing a number of critical countywide issues.

Organizationally, the CEO is comprised of four primary functions:



- **Office of Finance** – Provides leadership and manages the overall financial operations of the County. Major responsibilities include long range strategic financial planning,

public finance, risk management, budget, corporate business planning, corporate purchasing and real estate support.

- **Office of Information and Technology** – Provides leadership in the planning and implementation of corporate information technology investments to achieve County goals and objectives. Major responsibilities include data center operations, wide and local area network operation and support, applications development and programming, and telephone services. In addition, this Office provides administrative support to CEO staff and management of the comprehensive countywide Records Management Program.
- **Office of Human Resources** – Provides leadership in change management, and in developing organizational design, best practices and people strategies that allow the County to attract, select, and retain business-required talent. Major responsibilities include labor contract negotiation and interpretation, development of human resource policy and program initiatives designed to encompass public/private best practice strategies, policy compliance auditing, benefits administration, and employee development and training programs.
- **Office of Strategic & Intergovernmental Affairs** – Provides leadership in the planning and establishment of effective governance structures and relationships for the accomplishment of county corporate, as well as regional goals and objectives. Major responsibilities include coordination of all federal and state legislative advocacy efforts, conducting organizational assessments, providing oversight and coordination of a number of critical regional issues (e.g., watershed, homelessness, child care, annexation/incorporations), and administering the Orange County Development Authority, the Comprehensive Economic Development Strategy, the Office of Protocol and tourism activities.

### **Funding**

The CEO receives its operating revenue from the County General Fund except for the internal service funds of risk management, employee benefits, telephone, and a portion of data services. The CEO's primary operating fund (Agency 017) reflects a total FY 2000-01 budget of \$17.8 million in appropriations, \$3.3 million in revenues, and a resulting net cost to the County of \$14.5 million.

As part of its fiscal oversight role, the CEO compiles and monitors a County budget of approximately \$4.5 billion that includes \$2.1 billion in General Fund appropriations. The General Fund portion of the budget includes such critical areas as:

- Public Safety
- Trial Court Funding
- Health Programs
- Community and Social Services
- Redevelopment and Unincorporated areas
- Water Quality monitoring
- Facility Operations

- Bankruptcy Recovery Debt Service
- Employee Benefits
- Contingent Reserves

### **2001 Service Issues**

In 2001, the CEO will continue to provide executive services, leadership, and standards to the County as a whole. The CEO, working with the Board and department heads, will continue to refine how it will measure organization and employee performance through business plans, performance management programs, County budgets, and the Strategic Financial Plan. The CEO will continue to use these as well as other available tools, including Board off-sites, to assist in the continuing development of an efficient, effective and accountable government.

The year 2001 will continue to present the Office with an increased magnitude and complexity of issues. With the help of staff, successful collaboratives with community and business partners, as well as the on-going support of the Board and agency/department heads, significant progress can be made. Some of the issues that will have a significant impact on policy and the service environment include:

- Debt Reduction – The early retirement of bankruptcy debt to free up financial resources to fund key projects will continue to be a strategic priority for the County. The CEO uses the framework of the Strategic Financial Plan to address which debt obligations and how much of the debt will be reduced in any given year. This next year the Board will target the 1995 Recovery Bonds for debt reduction. The funds available for bond defeasance include approximately \$30 million in the Debt Prepayment Fund, \$56.5 million allocated through FY 2005 – 2006 pursuant to the Strategic Financial Plan, and \$7.5 million of FY 2000 – 2001 Tobacco Settlement Revenues for a total of \$94.0 million through FY 2005 – 2006.
- Budget Redesign Phase II – The County Budget process will continue to strengthen the link between budget requests and performance measures. Budget policy for departmental budget augmentation requests has been revised to require departments to justify requests with performance measurement data or expected outcome measures. The actual outcomes will be reviewed to determine if funding the requests should continue into the subsequent year. The CEO will implement Phase II of the Budget Book redesign to further detail the recommended departmental appropriations, revenue and positions.
- Regional Issues – The County of Orange is the main provider and coordinator of regional projects and services for the County. During this year, there are a number of issues/projects of significant regional impact to address. A sampling of these issues include: future unincorporated area annexations/incorporations; addressing the impacts of Proposition 36 (Substance Abuse & Crime Prevention Act); development of strategic plans for watershed/ocean water quality programs and electrical energy consumption, redistricting based on data from Census 2000, coordinating the assessment and implementation of changes to the county's registration and elections



system, and developing additional partnerships to enhance the Homeless Continuum of Care system. CEO staff is actively involved in all of these issues/projects, each of which has its own significant implications in meeting the future needs of Orange County residents.

- Legislative Issues – The CEO is responsible for the coordination of the County’s response to federal, state, and local issues or mandates imposed on the County. Several of the service issues identified in this Business Plan require legislation for full implementation of the County’s position. Examples include: registration and elections technology reforms, internet purchasing and other impacts to general sales tax revenues; transition of the District Attorney’s Family Support Division to a separate department; and other legislative proposals pertaining to health care, housing, the environment, and law enforcement. Significant effort is required to educate key lawmakers on County priorities and our legislative agenda.
- County Restructuring Efforts – The CEO encourages agency/departments to annually review their operations and organizational structures to be more efficient, accountable, and results-orientated. Significant restructuring efforts are currently underway that will impact the future of departmental operations in the Health Care Agency, the Public Facilities & Resources Department, the District Attorney/Family Support Division, and Registration & Elections Department. CEO staff is involved at various levels in these and other restructuring efforts working toward and encouraging productive changes.
- Data and Communications Infrastructure – The CEO is responsible for overseeing and coordinating efforts for the provision of an overall countywide information technology infrastructure. Last year, the CEO successfully rebid its long term, multimillion data and communications contract to provide these services. The new contract contains a number of new requirements reflecting changes in technology and the provision of services. New features being implemented include a new voice mail system, upgrades to the telephone system, and the first steps to integrate the voice and data networks. In 2001, the Office will focus on implementing a new IT governance structure to provide for the overall coordination of the county’s information technology activities.
- Evaluation of Corporate Management System Components – Under the Board’s leadership, the CEO has managed the development and implementation of a Corporate Management System to provide a disciplined approach for strategic planning and decision making. The individual components of this system are now familiar to agency/departments and include the Strategic Financial Plan, Business Plans, Program Performance Measurement, and employee Pay for Performance plans. During this past year, the CEO implemented the most recent phase of the Corporate Management System, the Management Pay for Performance Plan. A significant task this year will be to review departmental feedback and measure the effectiveness of each component, and make any necessary refinements to ensure the Board’s goal of an efficient, responsive and accountable government.

- Proposition 172 Funds – Proposition 172 established the one-half cent sales tax to be used by law enforcement agencies. In Orange County, these funds are divided between the Sheriff-Coroner Department (80%) and the Office of the District Attorney (20%). Absent other funding sources, these elected department heads may pursue the use of additional General Fund revenues with the CEO and Board. It will create a significant challenge for the County to balance the need for public safety against the displacement of strategic priorities identified in the Strategic Financial Plan. The CEO will continue to work with these department heads to identify priorities, aggressively searching for new revenues, and identification of operational efficiencies.
- Corporate Communications - The CEO has continued to make significant progress in improving communications and access to information for the public and its employees. The goal is to facilitate the flow of meaningful information to both internal and external audiences as a way to increase understanding, invite participation in the Board's vision and the services the County provides, and present the County as an attractive employer. As described above, the Board and CEO are involved in a number of important initiatives that require constant and consistent communication. It remains critical to develop forums and communication materials to promote County programs and inform critical participants.

## **2001 OPERATIONAL PLAN**

### **Overview**

During 2001, the County Executive Office will continue to focus on providing leadership in implementing Board policy and directives. This will be accomplished through addressing a complex, diverse, and significant number of activities. These include: planning and development of the County's organization, management policies, practices and technology infrastructure; developing strategies to initiate and/or impact major legislation that promotes the interests of the County; developing internal and external partnerships that enhance program quality and resource utilization; and implementing initiatives that communicate the County's mission, priorities, and information that internal and external stakeholders require to work with or for the County. By integrating these activities, the CEO will continue to move the County organization towards increased innovation, efficiency, and accountability.

In the area of finance, the CEO will continue to reduce county debt by defeasing and refunding outstanding bond issues, financing the development of Community Facility Districts, and implementing cost effective methods of financing county capital projects such as the South County Courthouse, jail expansion, and telecommunications infrastructure.

In the area of management infrastructure development, individual components of the Corporate Management System will continue to be refined and strengthened. In addition,

corporate Information and Technology will continue to research, develop, and implement technology strategies that will enhance departments' ability to automate diverse functions, improve operational efficiency and service to the community, and coordinate countywide data communications. Projects include promoting increased departmental utilization of technology, implementation of telephone and voicemail upgrades, expanding the use of optical imaging in the area of records management, the piloting of wireless applications, and increasing services available on the web.

Federal, state, and local legislation will continue to impact the County. Based on Board policy direction, the CEO established the Orange County Legislative Platform for 2001 and developed strategies to sponsor and/or influence the outcome of significant legislation to reflect the interests of the County. CEO staff will also continue to take the lead in regional planning efforts that involve public and private entities with the intent of enhancing the quality of planning and maximizing the use of resources for the benefit of the entire County. CEO staff resources will also be devoted to developing a number of strategic plans addressing such critical regional issues as watershed and ocean water quality monitoring programs, electrical consumption, and unincorporated county island revitalization programs. In addition, staff resources will also be used to ensure the successful implementation of Proposition 36, redistricting based on the 2000 Census, continuing the development of a comprehensive economic development program, developing additional public/private partnerships to enhance the Homeless Continuum of Care System, the development of additional affordable housing units, and other issues of major interest to the County.

In terms of internal development, CEO management will continue to work with staff to strengthen the internal coordination of projects, the delivery of internal support services and the effectiveness of communication among the divisions within the Office. In addition, CEO management will support its Labor Management Committee and ensure that the performance management and incentive pay programs are effectively utilized within the Office. Management will also encourage staff to participate in the business planning process, training programs, and countywide initiatives that will enhance their knowledge and skills.

### **Operational Plan**

This year the CEO is revising the structure in which it presents its operational plan for 2001. With the institutionalization of formal business planning documents over the past three years, there has been an evolution in both the understanding and development of methods to communicate and measure departmental activities. The development of meaningful goals, service plans, and outcome measures has been a challenge both in terms of content and terminology.

This year the CEO has attempted to consolidate all components of the Operations Plan into a single chart for each strategic goal. The purpose is to provide the reader with the goal that is being pursued, the desired outcome sought, the service plans/projects being pursued to accomplish the goals/outcomes, and the outcome measures used to indicate our progress. The outcome measures listed are both executive and process orientated. The more important executive or "key outcome measures" that will be listed in the

County Budget Book are asterisked and included, with a brief summary of how the Office is doing, in Appendix D.

**Goal 1: Support the Board of Supervisors in developing and implementing long term priorities for the County of Orange**

The development of a long-term financial planning process has allowed the county to make strategic choices about its priorities and its use of scarce resources. This management tool has paid considerable dividends allowing for the advanced planning of capital projects, debt retirement, and the upgrade of our investment grade credit rating.

<i><b>Key Outcomes</b></i>	<i><b>Service Plans/Projects</b></i>	<i><b>Outcome Measures</b></i>
<ul style="list-style-type: none"> <li>◆ Development of a blueprint for county priorities/operations</li> <li>◆ Maintenance of strong financial position</li> </ul>	<u>Finance</u>	✓ Development of annual Strategic Financial Plan update
	1.1 Assist the Board in developing a Strategic Financial Plan consistent with their vision for the County of Orange	
	1.2 Update the credit and debt management strategies to further reduce debt	✓ County Credit ratings per rating agencies (i.e., Moody's, Standard & Poors, Fitch)
	<u>Strategic &amp; Intergovernmental Affairs</u>	
	1.3 Use the Community Indicators Project data for strategic planning purposes, and continue the collaborative process for annual updates and other projects	✓ Consistency of debt reduction compared to Strategic Financial Plan

**Goal 2: Continue to develop, implement and communicate the County's Corporate Management System**

The Corporate Management System program has put in place the necessary tools for departments to proactively address key service issues. The individual components of the program are highlighted below as well as the CEO's plans for further refinement and improvement.

<i>Key Outcomes</i>	<i>Service Plans/Projects</i>	<i>Outcome Measures</i>
<ul style="list-style-type: none"> <li>◆ An accountable and efficient government organization</li> <li>◆ Board and community confidence in county government</li> <li>◆ An organization that attracts prospective employees</li> </ul>	<u>Strategic Financial Plan</u>	✓ Percent of eligible employees who reach performance goals*
	2.1 Plan and conduct the summer investor relations meetings in New York	
	2.2 Improve coordination with Orange County Employee's Retirement System on various retirement-related policy and financial issues	✓ Percent of department business plans containing/reporting performance measures
	<u>Business Plans &amp; Results Oriented Govt</u>	
	2.3 Continue to make refinements in business plan instructions and in development of effective performance measurements	✓ Percentage of Orange County residents who can identify County programs/services
	<u>Budget</u>	
	2.4 Implement Advanced Planning (ADP) version 2.1 (GUI) and provide detailed training to users	✓ Budget software upgrades and employee training completed on schedule
	2.5 Initiate planning, site preparation, installation, configuration, and user training for a new budgeting software upgrade known as BRASS	
	2.6 Implement Phase II of the Budget Book Improvement Process to include further consolidation of General Fund agency codes and expansion of the level of detail presented at the "Activity" level	
	<u>Pay for Performance Plans</u>	
	2.7 Monitor the effectiveness of PIP and MPP and ensure the strategic link between performance incentives and organizational effectiveness	
	<u>Corporate Communications</u>	
	2.8 Develop the County Annual Report and County newsletter	
	2.9 Begin Discover 2001 public awareness campaign to highlight county "teaming"/partnering efforts	

**Goal 3: Support the Board in developing and actively pursuing the County's legislative platform**

The success of many county issues and projects relies upon favorable legislative outcomes. Examples include curbing the shift of property taxes away from the county to the state, securing additional funding for road projects and juvenile justice programs, transfer of the trial court employees from the county to an independent personnel system, funding for urban runoff and a children's mental health system of care, use of the former El Toro Marine Base for affordable housing, and use of redevelopment set-aside monies in incorporated as well as unincorporated areas of the county.

<i><b>Key Outcomes</b></i>	<i><b>Service Plans/Projects</b></i>	<i><b>Outcome Measures</b></i>
<ul style="list-style-type: none"> <li>◆ Legislation passed favorable to the interests of the County of Orange</li> <li>◆ Unfavorable legislation defeated</li> </ul>	<u>Strategic &amp; Intergovernmental Affairs</u> 3.1 Develop and implement an annual legislative platform 3.2 Monitor legislation and take appropriate action on items impacting Orange County 3.3 Develop a grant tracking program to secure additional federal and state grant funds for countywide programs 3.4 Continue to advocate for federal appropriations to continue the Santa Ana River Project, and other run-off issues	✓ Success in influencing key legislative measures*

**Goal 4: Integrate and coordinate County regional planning efforts to ensure the delivery of quality services**

The County of Orange is the main provider and coordinator of regional projects and services for the County. The issues addressed by the CEO, and considered by the Board of Supervisors, have considerable impact on the quality of life of our citizens and require considerable collaboration and planning from several segments of society.

The chart on the following page addresses the major regional issues the CEO will be addressing for 2001.

<i>Key Outcomes</i>	<i>Service Plans/Projects</i>	<i>Outcome Measures</i>
<ul style="list-style-type: none"> <li>◆ Facilitate the successful collaboration of public/private resources toward significant regional issues</li> <li>◆ Delivery of quality services that address significant regional issues</li> </ul>	<u>Strategic &amp; Intergovernmental Affairs</u>	✓ Progress made on significant regional issues*
	4.1 Coordinate the assessment and implementation of changes to the county's Registration and Election system	✓ Organizational, process and technology improvements to the county Registration & Elections system
	4.2 Establish a Watershed and Ocean Water Quality Monitoring Program	
	4.3 Develop a strategic plan for energy reliability	✓ Improvement in water and ocean quality
	4.4 Reconstitute the Orange County Criminal Justice Coordinating Council to address the impacts of Proposition 36 and other criminal justice matters	✓ Completion of strategic plan to address Proposition 36 issues
	4.5 Develop a strategic plan for unincorporated county island revitalization programs	✓ Completion of strategic plan for unincorporated county island revitalization programs
	4.6 Continue the county's external restructuring efforts toward community revitalization and annexations/incorporations of county islands	✓ Number of additional affordable housing units planned/added
	4.7 Continue development of Comprehensive Economic Development Strategy	
	4.8 Development of additional affordable housing projects	✓ Number of, and savings realized by the county from the annexation/incorporation and community revitalization projects completed
	4.9 Redistricting political boundaries based on 2000 Census	
	4.10 Continue to coordinate and support the DA/Family Support transition to a separate county department	✓ Completion of the redistricting of political boundaries
	4.11 Develop additional public/private partnerships to enhance the Homeless Continuum of Care System	
	4.12 Examine restructuring of Animal Care Services system of governance	✓ Number of homeless people assisted
	4.13 Support the Local Redevelopment Authority in facilitating the civilian reuse of the El Toro Marine base	
	4.14 Assist in completion of 800 megahertz emergency communications system	

**Goal 5: Provide leadership and services in the development of the County's human resources, technology, financial, and administrative infrastructure**

The efficient accomplishment of countywide goals depends to a large extent on the administrative environment county agencies/departments operate within. The CEO is dedicated to providing leadership in the development and monitoring of an efficient and effective administrative infrastructure.

<i><b>Key Outcomes</b></i>	<i><b>Service Plans/Projects</b></i>	<i><b>Outcome Measures</b></i>
♦ The provision of an administrative framework/structure that allows the effective and efficient accomplishment of agency/department goals	<u>Financial</u>	✓ County Proposed Budget consistency, measured in dollars and projects, to Strategic Financial Plan*
	5.1 Submission of a balanced budget to the Board	
	5.2 Update the Strategic Financial Plan for 2002	
	5.3 Conduct monthly County Financial Managers' Forum meetings.	✓ Decrease in the FY 2005/06 projected financial shortfall
	5.4 Integrate the county Business Plan process into the CEO/Office of Finance	
	<u>Technology</u>	✓ Trend in County overhead rate
	5.5 Enhance the use of technology to allow greater information and self-training through the use of the County Intranet	✓ Percent of departments participating in CEO approved countywide data communications infrastructure*
	5.6 Implement by specified contract dates the telephone and voice mail upgrades included in the Lockheed Martin Information Technology contract	
	5.7 Integrate into the ATM Network the remaining County departments not online	✓ County ability to remain current with and upgrade technology that benefits operations*
	5.8 Complete the migration of the Data Services Division to an Internal Services Fund 289 by July 2001	✓ Implementation of Lockheed Martin contract on schedule
	<u>Human Resources</u>	
	5.9 Implement a new vision for county human resources, including an organization structure and management roles and responsibilities for human resource professionals as defined in the Deloitte & Touche study	✓ Number of departments making changes to their Human Resources Function using the model provided in the human resource vision project*
	5.10 Continue to develop and implement employee training and recognition programs that support the Steps to Success Management Program	
	5.11 Continue to enhance PIP and MPP competency measures, and improve the effectiveness of the plans as tools to motivate employee excellence	✓ Number of major departmental classification issues addressed
	5.12 Reassess and refine recruitment marketing strategies	
	5.13 Implement benefits program changes resulting from Labor Management collaboration efforts	✓ Cost of county risk (amount of dollars spent on claims and damages) as percent of total county revenue*
	5.14 Develop and implement workforce planning strategies	
	5.15 Complete classification studies resulting from major departmental restructuring efforts	✓ Improvements of effectiveness and efficiency made through departmental restructuring efforts
	5.16 Continue to integrate classification planning into business plan and budget documents and pursue competency based models for class specifications	
	5.17 Reassess and redefine Corporate Communications Strategy	
	5.18 Continue training and individual case support to departments in disability management and return to work efforts	
	5.19 Maximize the use of volunteer resources to meet County needs and service plans	
	<u>Administrative</u>	
	5.20 Continue organizational assessments and restructuring	
	5.21 Continued training in loss prevention, insurance financing, and loss financing	

**Goal 6: Continue to integrate and strengthen management and internal services within the County Executive Office**

The efficient operation of the County Executive Office is essential to effectively carrying out our role in county government. In addition, the Office must be willing to lead by



example, make critical self-examinations, allow for constructive feedback from our clients, and make adjustments as necessary.

<i><b>Key Outcomes</b></i>	<i><b>Service Plans/Projects</b></i>	<i><b>Outcome Measures</b></i>
♦ Effective and efficient operation of CEO	6.1 Completion of Office budget, business plan, and staff performance evaluations	✓ Timely completion of required countywide assignments
♦ Leadership by example	6.2 Complete new catalogue and file system for Public Finance transcripts and other documents	✓ Number of high profile projects assigned to cross divisional staff
♦ Increased collaboration between CEO division staff	6.3 Continue to develop opportunities for increasing communications and project coordination among CEO staff	
	6.4 Provide opportunities and resources for staff to participate in training programs	
	6.5 Continue to enhance the coordination and delivery of internal support services	

### **Net County Cost Impact**

The 2000 Strategic Financial Plan projected an ongoing general purpose revenue shortfall of approximately \$20 million beginning in FY 2005-06. While these projections have since been updated and the gap is now closed, new fiscal pressures such as the current economic slowdown and the electrical energy crisis could present new challenges in the years ahead. As a result, the CEO has and continues to be in the process of examining ways to cut expenses, increase efficiency, and identify new sources of revenue. Specific actions taken by the Office include:

- ❑ Requiring all county agencies/departments to identify methods to reduce the impact to net county costs in their business plans and budgets
- ❑ Defeating Pension Obligation Bonds that have a greater net positive impact (\$ 30 million annually) on debt reduction than the 1995 Recovery Bonds
- ❑ Encouraging and assisting in the assessment and implementation of department restructuring efforts
- ❑ Re-negotiation of the countywide technology contract with Lockheed Martin saving \$8 million
- ❑ Expanding the use of technology in place of manual efforts
- ❑ Establishing positions within the Office to provide regional coordination and maximize the use of resources to address significant public/private issues such as homelessness, child care, and watershed management
- ❑ Spinning off programs that are funded through outside sources such as the Children's and Families First Commission, and the El Toro Master Development Program.
- ❑ Implementation of the MAPP (Meeting/Approvals/Policies/Procedures) analytical framework to assess and measure organizational improvement and effectiveness
- ❑ Establishment and use of the Volunteer Program

- ❑ Development of a Safety and Loss Prevention Manual and training programs to reduce the risk exposure of county operations

### **Workforce Planning Issues**

In terms of Departmental workforce planning, the County Executive Office will continue to utilize MPP and PIP to align performance planning and evaluation with the Department's business goals. Implementation of recommendations from the major Information Technology and Office Services reviews currently being coordinated, countywide, by CEO/Human Resources may impact positions in the CEO. The Department will identify strategies, within budget parameters, to fund the costs associated with the implementation of recommendations from these studies.

Relative to countywide workforce planning, CEO/Human Resources will develop, coordinate, and oversee major classification studies with countywide impact. In addition, CEO/Human Resources will continue to improve the classification system and structure in order to support more efficient, accountable and results-orientated planning practices. Finally, CEO/Human Resources will develop workforce planning strategies that address the County's development and succession planning needs.

### **Challenges for 2001**

The accomplishment of the far reaching goals and objectives identified in this Operational Plan will be impacted by several substantial challenges. Many of the business plan challenges include financial, operational, regional, as well as legislative issues. It is imperative that the CEO continue to provide executive support to the Board and agency/departments by balancing resources, reducing debt and continuing its priority of focusing on the future citizens of Orange County. Below are many of the significant challenges the CEO is facing in meeting its operational goals:

#### *Financial Challenges:*

- Maintaining flexibility while adhering to the Strategic Financial Plan when addressing new strategic priorities
- Protecting existing and identifying new revenue sources while the economy is expected to grow at a slower rate
- Facilitating agency/departments planning and action in the Strategic Financial Plan to address limited general purpose revenues.
- Addressing potential impact on the General Fund from Proposition 172 funded departments (i.e., Sheriff-Coroner, District Attorney)
- Working in a dynamic environment with limited flexible revenue
- Balancing the pressure for increased operating resources with general purpose revenues that are projected to grow at 3% or less annually over the next five years.
- Obtaining the cooperation of the OCERS Board on various retirement policy and financial issues
- Potential diversion of County property tax revenues to the state

*Operational Challenges:*

- Continuing to educate County staff and work collaboratively for completion of the performance measurement and pay for performance components of the Corporate Management System
- Developing a strategy to effectively address state electrical energy crisis
- Continuing to develop effective communication tools for informing both internal and external audiences of county activities
- Coordinating future departmental organizational assessments and incorporating the resulting changes into the financial planning and budgeting processes
- Redefining the roles, responsibilities, competencies and performance expectations of management to conform with current best practice models
- Designing and implementing effective compensation and benefits strategies
- Implementing a seamless multi-year data and communications infrastructure contract
- Identifying and implementing effective recruitment and workforce planning strategies

*Regional Challenges:*

- Gaining consensus among diverse stakeholders involved in complex regional issues such as jail and landfill facility siting, homeless care, energy consumption, Proposition 36 implementation, animal shelter governance structure, watershed management, redistricting, and improvement to our registration and elections system.

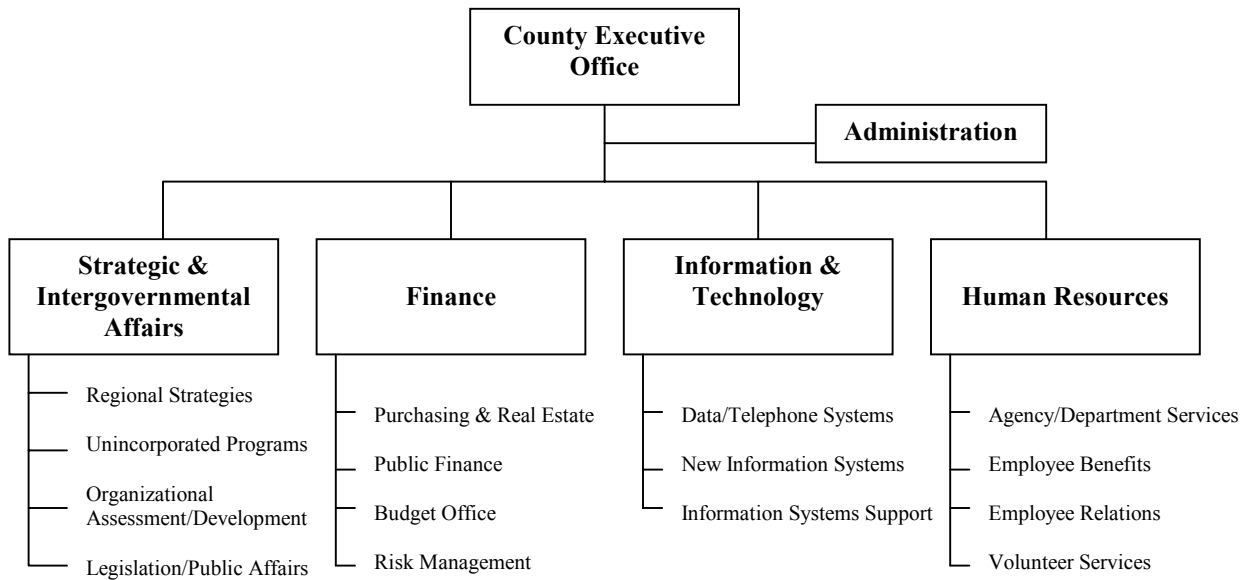
*Legislative Challenges:*

- Obtaining legislative support to pursue and implement Board approved policies and programs, and to protect/enhance County General Fund revenues

To successfully address these challenges, the CEO must continue to promote an organizational culture that embraces change, and cultivates individual opportunities for rethinking and redesigning plans based on past successes, failures, and available technologies and resources.

## Appendix A

## ORGANIZATION CHART



## Appendix B

## 2000 ACCOMPLISHMENTS

**Goal 1 Support the Board of Supervisors in developing and implementing a long-term vision for the County of Orange**

*Objective 1.1: Assist the Board in developing a Strategic Financial Plan consistent with their vision for the County*

## Accomplishments:

- Planning sessions were held with the department heads and Board members, and departmental forecasts and the County economic forecast were updated. On December 4, 2000, the Board adopted the 2001 Strategic Financial Plan which embodies the Board's long-term vision of improved health care and services, expanded jail capacity, affordable housing, reduced County debt, cleaner watersheds and beaches, and other projects. The plan commits over \$312 million to these items over the next five years.

*Objective 1.2: Assist the Board in developing and implementing debt reduction strategies*

## Accomplishments:

- Received credit upgrades from Standard & Poor's to "A," from Fitch IBCA to "AA-," and from Moody's on Pension Obligation Bonds to "Aa3"

- 100% of Pension Obligation Bonds, at a maturity value of \$639.1 million, were eliminated. 45% were successfully tendered and the remaining bonds were prepaid through an economic defeasance saving the county \$30 million in annual principal and interest
- Revised the Infrastructure Financing Program Policy Statement and Application for the community facilities and assessment districts for land based financings.
- Levied and administered the annual Mello-Roos special tax and assessments for the community facilities and assessment districts.
- Reached settlements with all parties and negotiated with the Representative the final distribution of bankruptcy litigation settlement funds.
- Defeased \$10 million remaining 1990 Rancho Santa Margarita 86-2 Bonds.
- Re-marketed the \$34 million Teeter Revenue Bond Series D and downsized the Series A Taxable bonds from \$5 million to \$2.6 million.
- Successful refunding of prior aggregate single-family housing mortgage revenue bond issues through the Southern California Home Financing Authority.
- Issued \$30 million Ladera CFD 2000-01.
- Maximized investment efficiency of CFD bond proceeds.
- Issued \$7.5 million in single-family housing mortgage revenue bonds.
- Issued \$9.5 million Rancho Santa Margarita CFD 86-2.
- Issued \$23.8 million So. Orange County Public Financing Authority Reassessment Revenue Bonds.

*Objective 1.3: Use first Community Indicators Project data for strategic planning purposes, and continue the collaborative process for annual updates and other projects*

Accomplishments:

- Developed first Community Indicators Report that was well received and has laid foundation for future annual community indicator projects aimed at assessing the progress Orange County has made in major policy areas.

**Goal 2 Continue to develop, implement and communicate the components of the County's Steps to Success (Corporate Management System) management program, promoting the County as an accountable and efficient government organization, partner with the community and desirable employer**

*Objective 2.1: Redesign the County Budget including outcome measures reporting*

Accomplishments:

- The County Budget process was enhanced to incorporate the use of performance measures to evaluate requests for new County resources and focus Departmental attention to find ways to use fewer County resources. The Budget Book was totally redesigned for FY 2000-01 to include a three part layout for departmental budgets (operational summary, organizational summary and budget summary). These layouts contain performance measurement results, key accomplishments, new organization charts, ten-year staffing trend charts, narrative explaining how the departmental budget supports the County's strategic priorities, budget recaps with historical data

for context and improved graphic design. Budget structures for departments undergoing organizational assessments were reviewed and modified as needed to be consistent with the final assessment reports

- Began integration of classification and compensation planning into Business Planning and Budgeting

*Objective 2.2: Continue to develop and implement the Results Oriented Government (ROG) project*

Accomplishments:

- The results oriented government project progressed with the completion of performance measures for the phase III departments. Key performance measures and the first reporting of results for all departments were included in the County Budget Book.

*Objective 2.3: Continue implementation of the Corporate Communications Strategic Plan*

Accomplishments:

- Completed employment marketing brochure using the “Faces of the County” brand
- Developed and distributed business card re: County employment website distributed to every County employee
- Reconfigured and designed HR websites to conform to County corporate look and colors
- Web project demonstrations including Department Head meetings to facilitate understanding and usage
- Publication of *County Connection* employee newsletter
- Discover 2000 “Faces of the County” public awareness campaign in the *Orange County Register*

*Objective 2.4: Continue to refine and implement County performance management and incentive pay programs*

Accomplishments:

- Conducted management market study to assist Board in setting salaries for executive and administrative management classes
- Implemented first cycle of Management Performance Plan ratings and pay-outs and provided training to all impacted managers on competencies for 2001 Plan cycle
- Conducted employee surveys to obtain input regarding MPP and PIP
- Developed and completed thematic “Brown Bag” and “Town Hall” sessions to provide information to employees Re: specific components of PIP
- Prioritized targeted PIP training sessions to address specific Agency/Department needs
- Planned and implemented recognition program to recognize the efforts of PIP trainers
- Negotiated labor contract with Orange County Attorney’s Association
- Completed PIP training for 16,000 employees
- Received Honorable Mention Award for PIP from CSAC regarding “The Best and Brightest County Practices”

*Objective 2.5: Develop County Annual Report*

Accomplishments:

- Due to the dissolution of the corporate communications program office, this objective has been deferred to 2001.

*Objective 2.6: Continue to support department efforts to streamline and automate processes to improve public and employee access to information and services*

Accomplishments:

- The redesigned County budget book is proving to be an improved way to communicate to the public the County's budget and financial picture, as well as the important messages that accompany the budget figures.
- Increased employee and public access to information by enhancing or implementing a number of websites (MPP, PIP, Classification, Volunteers, Rideshare)
- Streamlined a number of processes through automation including the Virtual Employment Center, On-Line Training registration, Payroll timekeeping.
- Implemented enhancements to data warehouse for both Benefits and Employee data
- Began a system whereby all public inquiries received via County's web site are responded to in a timely manner
- Implemented "Board TV," weekly televised programs of the Board of Supervisor meetings.

*Objective 2.7: Continue to develop and implement employee training and recognition programs*

Accomplishments:

- Implemented PIP supervisory/staff training
- Conducted MPP competency training for next performance cycle of MPP
- Conducted training needs survey of supervisors/managers
- Initiated development of Leadership Academy
- Continued to implement Enlightened Leadership Program by developing Module 6 ("Working With People Who Challenge You"); implementing pilot of online version; and scheduling the training of six more trainers
- Implemented and completed mediation training for approximately 250 employees; established ongoing training program
- Implemented ongoing LMC Team support and training
- Addressed ongoing EEO training needs by conducting an assessment; scheduling supervisory/management training for January-February 2001 and commencing evaluation of on-line training for all County employees

*Objective 2.8: Develop and implement a recruitment marketing plan*

Accomplishments:

- Developed and distributed recruitment and marketing materials including brochure, bookmark and business card
- Implemented Virtual Employment Center
- Partnered with OCPL to establish direct internet access to County website at all branches

- County Volunteer Program selected as National Point of Light, recruiting more than 23,000 volunteers that contributed approximately 675,000 hours of service in 1999. Their combined efforts are valued at more than \$13 million in avoided costs to the County.

*Objective 2.9: Complete ADA II Transition Plan to enhance County program accessibility for disabled community*

Accomplishments:

- Goal achieved with Board of Supervisors adopting the Transition Plan in 2000 and directing each department to implement it.

*Other Goal 2 Accomplishments:*

- The first year implementation of mandatory salary and employee benefit vacancy factors based on 12 months actual experience proved successful in eliminating more than \$20 million in unnecessary, overstated appropriations.
- The practice of using vacant positions before adding new positions in departments where the vacancy factor is over 5% was successful in keeping the percentage of positions vacant lower.
- The \$1.3 million savings from the Sheriff-Marshall merger were recognized in the FY 2000-01 First Quarter Budget Report

### **Goal 3 Support the Board in the implementation of the El Toro reuse planning process**

Accomplishments:

The Board of Supervisors approved an ordinance in June 2000 that established the Local Redevelopment Authority (LRA) as an entity reporting directly to the Board. The County Executive Office (CEO), however, plays a critical support role to the LRA.

- Continue to support the Local Redevelopment Authority (LRA) in the Board adopted goal to complete Environmental Impact Report (EIR) 573, and present this item for certification in September 2000.
- Continue to provide assistance and support to the LRA in successfully implementing the County's Master Lease of MCAS El Toro with the Department of the Navy. This role includes key support in the areas of risk management, real estate, finance, and other services
- Continue to provide leadership and coordination of key County departments under the direction of the CEO in support of LRA activities for the completion of the aviation planning process, non-aviation planning, and implementation of the Master Lease.

### **Goal 4 Integrate and coordinate County regional planning efforts to ensure the provision of quality service delivery projects**

*Objective 4.1: Support the implementation of the Children and Families Act of 1998 (Proposition 10)*

Accomplishments:



- Established the Children and Families First Commission, appointed Commission members, and adopted a County Strategic Plan, one of the first in the state, that has allowed the expenditure of over \$40 million Proposition 10 revenues in Orange County for services to Orange County children and their families. Implemented the transition plan that established the Orange County Children and Families First Commission as a separate operating entity with service agreements with County departments.

*Objective 4.2 Develop Continuum of Care Plan for the homeless*

Accomplishments:

- In partnership with county agencies, the Children and Families First Commission, and non-profit organizations, provided staff support and/or technical assistance to secure approximately \$30M in funding for homeless prevention and related programs. Coordinated the efforts of numerous public/private agencies to provide site outreach and public services at homeless encampments, motel enclaves, as well as National Guard Armories during the winter months. In addition, provided the coordination efforts to facilitate the ongoing regional planning for Continuum of Care System.

*Objective 4.3: Continue development of Overall Economic Development Strategy*

Accomplishments:

- 209 low and moderate income, first time home buyers assisted with loans totaling \$34.3 million for home purchases through the Single Family Housing Mortgage Revenue Bond Program (Southern California Home Financing Authority joint powers authority).
- 85 low and moderate income, first time home buyers assisted with mortgages totaling \$12.5 million for home purchases through the Mortgage Credit Certificate Program.
- Additional affordable apartment units created at several bond financed developments through changes to the bond structure, credit facility for the bonds or other financing changes.
- Completed the organizational assessment of the CSA/Special Programs Division as directed by the Orange County Economic Development Assessment Report for workforce development activities.

*Objective 4.4: Continue to develop and implement strategies on regional issues (e.g. implementation of Trial Court Restructuring, siting of facilities; annexations and incorporations and County environmental programs)*

Accomplishments:

- Coordinated with Courts on issues such as facilities, County-provided services and charges and Court caseload distribution
- CEO staff continue to work with the Courts, Board, Sheriff, Public Defender, District Attorney, and Probation to site and build a new South Court facility. Also completed a Trial Court Space Study for construction of a new South Justice Center.
- CEO staff have assisted the Chairman of the Board to monitor the action of the Trial Court Facilities Task Force and its impact on the County of Orange
- In cooperation with the League of Cities and LAFCO, developed a small island annexations study to annex islands over a two year period

- Completion of Foothill Ranch and Portola Hills annexations and successful negotiations and agreements with City of Lake Forest over Concourse Park, Foothill Ranch Library Community Room, incorporation of Aliso Viejo, traffic enhancement services with the CHP for Coto de Casa, and annexations by the city of Laguna Hills. Completion of RHNA process at SCAG with successful adoption of County's position on annexations and incorporations.
- Completion of Census 2000 outreach effort
- Completion of the Lange Drive affordable housing project in Santa Ana Heights, establishing 75 units for the low to very low income population. Developed an inventory of County resources available to assist in providing affordable housing within Orange County.
- Established a Foster Care Task Force to review gaps and needs in the delivery of Foster Care services
- Development of a plan for the development of a new park in collaboration with PFRD, the city of Anaheim, and the Fourth District Supervisor
- Completed the annual report to the Board on Homelessness issues in the County

**Goal 5 Provide leadership and service in the development of the County's human resources, technology, financial and administrative infrastructure**

*Objective 5.1: Redefine and implement new corporate and departmental Human Resource roles and relationships in a decentralized environment*

Accomplishments:

- Engaged a contractor to conduct a comprehensive management assessment of the County's HR vision, function, roles, and responsibilities in a decentralized structure
- Reorganized Benefits' Customer Service and Accounting functions for increased efficiency
- Rebid PPO Plan and Management and Attorney dental claims administration realizing a 20% cost reduction with an increase in services provided

*Objective 5.2: Reevaluate employee benefits programs in connection with labor organizations*

Accomplishments:

- Established two Labor/Management Committees to evaluate health plans. Conducted related focus groups and employee surveys
- Based on input from employees and Benefits LMC; developing list of plan design changes
- Conducted meetings with representatives of the Retired Employee's Association of Orange County (REAOC) to discuss possible revisions to the retiree health program

*Objective 5.3: Continue organizational assessments and restructuring*

Accomplishments:

- Provided administrative support for the Public Financing Advisory Committee, including scheduling and conducting all meetings and preparing the agenda items.

- Completed organizational assessment and received Board approval of recommendations to restructure the CSA/Special Programs Division in response to implementation of federal Workforce Investment Act
- Completed and received Board approval of organizational assessment recommendations of District Attorney/Criminal Division
- Completed organizational assessment of District Attorney/Family Support Division
- CEO staffs serves as chair of DA/Family Support Transition Team, identifying and addressing issues for the transition of the FSD into separate county Child Support Services Department.
- Completed preliminary assessment of Registration & Elections Department and provided recommendations approved by the Board
- Participated in the Phase II organizational study of the Health Care Agency which will be coming to the Board in early 2001
- Conducted preliminary analysis of the PFRD restructure

*Objective 5.4: Develop a corporate Information and Technology governance structure with Countywide standards*

Accomplishments:

- The Governance Steering Committee is in place and the first meeting was held in December 2000
- The first meeting of the Operations Council will be held in late February 2001
- Established IT governance structure including establishment of a Technical Steering Committee and Operations Council to provide countywide consistency
- Engaged contractor and developed IT website to be implemented in 2001
- Established Labor/Management working group to develop classification and pay strategies for IT occupation

*Objective 5.5: Continue to develop and expand self-service strategies in utilizing advanced technology*

Accomplishments:

- As examples, individuals can now access job listings and recruitment materials online, the data warehouse was expanded in functionality per user requests; the Auditor-Controller is placing reports on line; and an online time sheet system was acquired and implemented by many County departments. Many public services were made available online, such as building permits and the ability to listen to Board of Supervisors meetings over the internet.
- Implemented HR related self-service programs including: Classification website; Employee Benefits website; Jobs Listing; Online Training Registration

*Objective 5.6: Develop and implement security strategies to support increased access to County systems*

Accomplishments:

- The ATM Network now supports all but four County departments. A strategy to extend the network to small sites was developed and is now available

*Objective 5.7: Re-bid outsourced data and communications services*

Accomplishments:

- The new contract for providing IT services was completed and approved by the Board in September 2000

*Objective 5.8: Complete a research and development pilot project utilizing wireless technology*

Accomplishments:

- The wireless technology pilot project is in testing. This is a new technology and coverage will be limited to the Civic Center area for a limited user base.

*Objective 5.9: Initiate strategic planning to address financial shortfall in FY2005/06*

Accomplishments:

- The budget instructions for FY 2000-01 required departments to comply with net County cost targets, identify ways to reduce or minimize reliance on General funds and justify requests for new General funds with performance measures. Departments met the first year goal of a \$5 million savings compared to the 2000 Strategic Financial Plan targets.

*Objective 5.10: Protect existing and identify new sources of revenue*

Accomplishments:

- The 2001 Strategic Financial Plan revealed that the shortfall projected in the previous plan had been closed by the combination of adherence to FY 2000-01 targets, reduced requests for General fund resources and by a continued strong local economy resulting in higher levels of property and sales taxes. Departments continue to be reminded that the long-term outlook is for general purpose revenues to grow modestly and requests for new general fund resources need to be minimized.
- Utilization of the new MAPP analytical framework to conduct department self assessments aimed at identifying cost saving efficiencies

*Objective 5.11: Enhance loss prevention resources and training to departments*

Accomplishments:

- The issuance of the Safety and Loss Prevention Resource Manual to every department, Departmental Safety Representative provided new and coordinated safety training and operational resources. New and more frequent training in insurance and workers' compensation programs were provided. Customer satisfaction surveys were provided at each training class and sent to others users of these services as well. The results were:
  - Insurance Program Training - 99% of the Departmental Purchasing staff who attended training rated the training as above average to outstanding
  - Insurance Support Services-99% of respondents rated ongoing support, responsiveness to questions, provision of information during the year as above standard to outstanding.
  - Workers' Compensation Program – of the Human Resources Managers responding to a survey sent to all Human Resources Managers, 98% rated overall services and training as above standard to outstanding.

*Objective 5.12: Revise risk management cost allocation methodology to increase departmental accountability*

Accomplishments:

- Completed the revision of the cost allocation methodology that increases the premium payment for those with higher loss histories in workers' compensation costs and reduces relative payments for those departments with improved safety and loss prevention results.

**Goal 6 Support the Board in developing and actively pursuing the County's legislative platform**

*Objective 6.1: Develop and implement annual legislative platform*

Accomplishments:

- Identified 2000 legislative platform approved by Board

*Objective 6.2: Actively monitor legislation and take appropriate action on items impacting Orange County*

Accomplishments:

- Secured \$28 million in federal appropriations for continuation of the Santa Ana River Project, \$1.5 million for assistance with MCAS El Toro, and \$2 million for environmental programs
- Continued efforts with other counties to curb the shift of property tax revenue from the counties to the state
- Secured additional funding for road, watershed and urban run-off projects, and juvenile justice programs
- Transferred trial court employees from the county to an independent personnel system

*Objective 6.3: Develop and implement strategies to protect local discretion in determining use of Tobacco Settlement funds.*

Accomplishments:

- The CEO provided recommended uses of Tobacco Settlement funds consistent with the 2000 Strategic Financial Plan priorities. Analysis and comparison of competing ballot initiatives was performed and provided to the Board. The CEO also provided staff support to the Board committee that was negotiating with Health community advocates on the use of the funds. Final recommendations, consistent with Measure H were adopted as part of the 2001 Strategic Financial Plan.

**Goal 7 Continue to integrate and strengthen management and internal support services with the County Executive Office**

*Objective 7.1: Develop opportunities for increasing communication and project coordination among CEO staff*

Accomplishments:

- The Quarterly Budget Report process now includes results of market studies and classification studies that previously went to the Board as separate agenda items.
- The CEO conducted Quarterly staff meetings during which key projects and issues were discussed and the opportunity for direct questions was made available

*Objective 7.2: Implement performance management and incentive pay programs for CEO staff*

Accomplishments:

- Most CEO staff attended and successfully completed Enlightened Leadership and Basic Mediation training.
- PIP and MPP programs implemented within the CEO for plan cycle 1999-2000

*Objective 7.3: Provide opportunities and resources for staff to participate in training programs*

Accomplishments:

- CEO staff attended a broad variety of training and development programs provided through CEO/HR relative to mediation, performance management and work related competencies as well as CEO paid training and conferences in IT systems; computer program usage; leadership and strategic planning

*Objective 7.4: Provide staff with the opportunity to participate in the development of the CEO business plan*

Accomplishments:

- As a part of the development of the business plan all CEO employees received a draft copy of the plan.
- CEO staff were provided the opportunity to provide input into the 2000-2001 Business Plan through structured reviews; solicitation of individual comment and through the LMC

*Objective 7.5: Continue to enhance the coordination and delivery of internal support services*

Accomplishments:

- Developed and implemented a Public Finance Records/File Maintenance Program and Resource Library

## **Appendix C**

### **KEY OUTCOME MEASURES**

A number of outcome measures were added this year to the Operational Plan to provide additional opportunities for the Office to measure its effectiveness. The outcome measures were a mix of both process (i.e., projects completed and on schedule) and strategic measures (i.e., measuring the effectiveness of the office). This appendix is concerned with reporting on the strategic measures (or key outcome measures) adopted by the Office that will be included in the Budget Book.

**Measure 1: County Proposed Budget consistency, measured in dollars and projects, to the Strategic Financial Plan**

*What is the measurement?* Indicates the extent to which the CEO has required departments to consider the Strategic Financial Plan to develop their programs and budgets.

*Why is it important?* Allows the County to proactively identify and budget its limited financial resources for agreed upon priorities in an orderly fashion

*How are we doing?* The Strategic Financial Plan has been a tremendous asset that has guided the financial planning activities of the county. The FY 2000-01 budget contained all the elements of the Strategic Financial Plan, including:

- ❑ General purpose revenues and fund balance available at \$454 million; that when adjusted for \$35.1 million withdrawn from reserves was within 1.5% of plan amount
- ❑ Increased General Fund Contingencies from \$20 million to \$21 million
- ❑ Funded \$12.4 million of deferred maintenance and ADA projects
- ❑ Increased the Debt Repayment Fund by \$5 million
- ❑ Increased reserves for Strategic Priorities by \$25.5 million
- ❑ Completion of Theo Lacy Expansion Phase II (384 beds, \$10.2 million)
- ❑ Juvenile Detention Facilities improvements of \$4 million

**Measure 2: Percent of departments participating in CEO approved data communications infrastructure**

*What is the measurement?* Indicates the extent to which departments have participated in a CEO approved common information technology infrastructure that allows communication among agencies/departments in a secure environment.

*Why is it important?* The ability to communicate electronically with all county departments provides a critical informational link and increases business opportunities and efficiencies. In addition, with the increase in internet and intranet use to provide services, we must have a secure network environment that minimizes the potential for hackers disrupting the network.

*How are we doing?* There are three remaining departments to assimilate into the ATM network. Plans are being implemented to transition those remaining departments.

**Measure 3: County ability to remain current with and upgrade technology that benefits operations.**

*What is the measurement?* Indicates the extent to which departments are using advances in technology to improve business operations.

*Why is it important?* Technology continues to provide methods to increase the flow and processing of meaningful information to the benefit of the county and to the community it serves.

*How are we doing?* This is a new measurement currently under development

**Measure 4: Success in influencing key legislative measures**

*What is the measurement:* Measures the ability of the county to sponsor and/or influence the outcome of significant legislation to reflect the interests of the County.

*Why is it important?* Several of the more significant service issues require legislation either passing or failing for full implementation of the County's position.

*How are we doing?* Annually, the Office develops and presents for Board approval a legislative platform for the upcoming year. The County has been very successful in securing additional funding for the Santa Ana River Project, the Natural Communities Conservation Program (NCCP), road projects, and juvenile justice programs; and transferring the trial court employees from the county to an independent personnel system. The County had mixed results regarding the use of tobacco settlement funds, the potential diversion of county property tax revenue to the state, and use of former El Toro Marine base for affordable housing.

**Measure 5: Progress made on significant regional issues**

*What is the measurement?* Each year, the CEO tackles a number of diverse and complex regional issues. This measurement seeks to take the pulse of progress made toward accomplishing regional goals and objectives.

*Why is it important?* The County's position on significant regional issues and the resulting progress in achieving their goals/objectives has the potential for significant impact to the quality of life for Orange County residents and businesses.

*How are we doing?* The quantity and diversity of significant issues and our success in achieving goals is best detailed in the "Accomplishments" section of the business plan. Overall, the CEO has experienced considerable success in a number of issues including:

- ❑ Established the Children and Families First Commission and distributed over \$40 million of Proposition 10 revenues to Orange County children and their families
- ❑ Developed a Continuum of Care Plan for the homeless and secured \$30 million
- ❑ Completed Trial Court Space Study for construction of a new South Court facility
- ❑ Completion of Census 2000 outreach effort
- ❑ Additional affordable housing units created through bond financing, and 294 low and moderate income home buyers assisted with loans
- ❑ Developed a small county unincorporated island annexation study
- ❑ Approval of Master Lease with the Department of Navy for interim civilian use of the former El Toro Marine Base



Work addressed in 2000 that requires additional resources and identified as continuing service issues for 2001:

- ❑ Development of strategic plans for watershed/ocean water quality
- ❑ Coordinating the assessment and implementation of the county's registration and elections system
- ❑ Securing of additional public/private partnerships to enhance the Homeless Continuum of Care system
- ❑ Future annexation/incorporation/revitalization of county unincorporated areas
- ❑ Redistricting of political boundaries
- ❑ Examination of restructuring Animal Shelter system of governance

**Measure 6: Percent of employees who reach performance goals**

*What is the measurement?* Indicates whether or not the majority of employees are meeting individual performance goals set by them and their department management.

*Why is it important?* This is a broad indicator that is based on department management and the employee's assessment of performance, performance goals that are consistent with the department's strategic plan, business plan and budget have been met.

*How are we doing?* Relative to represented employees participating in PIP, the Program requires that relevant goals be established during the current calendar year. The final performance ratings and performance pay-outs will commence in January 2001. Data on the percent of employees meeting goals for a full performance cycle will be available in January 2002.

Relative to management employees, the first cycle of the Management Pay for Performance Plan was completed in 2000. Based on Department Head assessment of performance, 99% of managers met goals that were consistent with departmental business goals and objectives.

**Measure 7: Cost of County risk as a percentage of total County revenue**

*What is the measurement?* This is a common industry wide Risk Management measure that indicates the amount of dollars spent on claims and damages (cost of risk) as a percentage of total revenue

*Why is it important?* The more resources spent on claims and damages, the less available to program to important strategic priorities. Also is a potential tool to measure overall county management/operational effectiveness.

*How are we doing?* For FY 1999/00, the last measurable time period, Orange County's Cost of Risk was \$7.52 for every \$1000 of revenue, 32% below the industry's median cost of \$11.07.

**Measure 8: Number of county departments making changes to their human resources function according to model provided in HR vision project**

*What is the measurement?* Currently, the entire county human resources system is being reevaluated and plans being developed to comprehensively address the needed changes to the system. This measurement provides a report on the status of this critical project.

*Why is it important?* In order to attract and retain qualified employees and increase the efficiency of county operations, the county human resource system must adapt to meet the changing needs of business and function efficiently in a decentralized environment. Roles and responsibilities between the CEO/Office of Human Resources and the department human resource teams must be established, as well as competencies developed for human resource professionals that reflect the new requirements of the industry.

*How are we doing?* Based on extensive study and input from department heads and HR managers this past year, it has been determined that there are four “pillars” required to transform and improve the quality and effectiveness of the human resource system at the County of Orange. These pillars include human resource functions becoming a(n): 1) partner in strategy execution, 2) employee champion, 3) administrative expert, and 4) change agent. To successfully lead this transformation, Human Resources must focus on producing tangible deliverables; creating mechanisms to do things better, faster, and cheaper; and measuring effectiveness in terms of business competitiveness. During 2001, the County will continue to strengthen its human resources system using these four pillars as a foundation for the review of the decentralized Human Resource structure and technology.